

CHAPTER 40

AN ACT concerning the withholding of State payments to vendors for delinquent unemployment and disability taxes and the charging of administrative fees to the vendors and supplementing chapter 21 of Title 43 of the Revised Statutes.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

C.43:21-14.4 Withholding of payments to vendors for certain delinquent payments, administrative fees.

1. Upon a determination by the controller, made pursuant to the procedures provided by R.S.43:21-14 or R.S.43:21-16, that an employer has failed to pay any contribution required by R.S.43:21-7 to the unemployment compensation fund, the State disability benefits fund, or the Family Temporary Disability Leave Account of the State disability benefits fund, including any contribution which the employer is required to collect from his employees to pay into the funds, has not made the required payment after notification by the controller of the failure, and has not been approved by the controller for an extension of time in which to make the payment or for other deferral of payment, the controller shall notify the Director of the Division of Budget and Accounting in the Department of the Treasury of the failure. For the purposes of section 1 of P.L.1995, c.159 (C.54:49-19), the amount of assessment for contributions, penalties, and interest due shall be regarded as a State tax debt of the employer. If the employer is under contract to provide goods or services to the State or its agencies or instrumentalities, including the legislative and judicial branches of the State government, the division shall utilize the set-off procedures of that section to have payments withheld from the employer under the contract as needed to satisfy the indebtedness in the manner provided by that section, except that, in addition, a fine equal to 25% of the contributions owed shall also be withheld in addition to the amount of the indebtedness. The provisions of this section shall not apply to any employer that is under contract to provide goods or services to the State or its agencies or instrumentalities, including the legislative and judicial branches of State government, if the dollar amount of indebtedness is less than \$300. In the case of a failure to pay contributions to the unemployment compensation fund, the delinquent amount of contributions shall be deposited into the unemployment compensation fund and, after the full amount of the delinquent contributions have been deposited into the unemployment compensation fund, the fine, penalties, and interest due shall be deposited into the unemployment compensation auxiliary fund. In the case of a failure to pay contributions to the State disability benefits fund or the Family Temporary Disability Leave Account of the State disability benefits fund, the delinquent amount of contributions shall be deposited into the State disability benefits fund or the Family Temporary Disability Leave Account of that fund, as appropriate, and, after the full amount of the delinquent contributions have been deposited into the State disability benefits fund or the Family Temporary Disability Leave Account of that fund, the fine, penalties, and interest due shall be deposited into the administration account of the State disability benefits fund. The department shall use a portion of the fines to reimburse the Division of Budget and Accounting for expenses incurred by the Department of the Treasury in the implementation of this act.

2. This act shall take effect immediately.

Approved May 4, 2015.